

**Remarks**

Claims 1-25 were pending in the application. Claims 1-25 have been canceled by this amendment and new claims 26-40 have been added.

Claims 1-25 are rejected under 35 USC § 103(a) as being unpatentable over Nicol (US Patent No. 6,757,367) in view of Fayad et al. (US Patent 6,757,250).

The combination of references does not teach a method of synchronizing communications between two high-speed modems across a data network, where V.42bis entities on the modem exchange data synchronously, such that the V.42bis entities handle data compression and decompression. In the references cited, the decompression and compression are handled by the gateways.

Support for these new claims is found in the specification in several places, such as pages 8-10. No new matter has been added by these amendments.

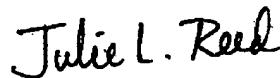
Allowance of all claims is requested.

The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.

**Customer No. 20575**

Respectfully submitted,

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